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WASHINGTON — The IRS has released the guidance and forms that employers can use to claim the newly-expanded tax credit for hiring veterans. The IRS also announced that employers will have additional time to file the required certification form for employees hired on or after November 22, 2011, and before May 22, 2012. The VOW to Hire Heroes Act of 2011, enacted Nov. 21, 2011, provides an expanded Work Opportunity Tax Credit (WOTC) to businesses that hire eligible unemployed veterans and for the first time also makes the credit available to certain tax-exempt organizations.

The credit can be as high as \$9,600 per veteran for for-profit employers or up to \$6,240 for tax-exempt organizations. The amount of the credit depends on a number of factors, including the length of the veteran's unemployment before hire, hours a veteran works and the amount of first-year wages paid. Employers who hire veterans with service-related disabilities may be eligible for the maximum credit.

Normally, an eligible employer must file Form 8850 with the state workforce agency within 28 days after the eligible worker begins work. According to the IRS guidance, employers have until June 19, 2012, to complete and file this newly-revised form for veterans hired on or after Nov. 22, 2011, and before May 22, 2012. The 28-day rule will again apply to eligible veterans hired on or after May 22, 2012.

In an effort to streamline the certification requirements, IRS clarified and expanded upon 2002 guidance to facilitate employers' use of electronic signatures when gathering the Form 8850 for transmission to state workforce agencies. The guidance confirms that employers may transmit the Form 8850 by fax or electronically, subject to the ability of the state workforce agencies to accept submissions in those formats. The IRS expects the Department of Labor to issue further guidance to the state workforce agencies providing further clarification.

Businesses claim the credit on their income tax return. The credit is first figured on [Form 5884](#) and then becomes a part of the general business credit claimed on [Form 3800](#).

This credit is also available to certain tax-exempt organizations by filing [Form 5884-C](#). The guidance released today also provides instructions and a new set of forms for tax-exempt organizations to claim the credit. [For more information, including how to claim the credit, go to IRS.gov.](#)